

# **THE LEONARD LETTER**

*A weekly electronic newsletter*

*Bill Leonard, Member*

*State Board of Equalization*

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*"You are going to let the fear of poverty govern your life and  
your reward will be that you will eat, but you will not live."*

*-- George Bernard Shaw  
(1856-1950) Irish comic dramatist*

## **ISSUE FOCUS**

### **\*\*\*Jobs Climate Sorrows\*\*\***

There are 13 days left for the Legislature to meet the Governor's deadline for serious workers' comp reform. If any legislators doubt the seriousness of this particular situation or the state's job climate in general, I would invite them to read a report written by Michele Nash-Hoff about San Diego County's industry. Ms. Nash-Hoff works for ElectroFab, a company whose market in San Diego County is original equipment manufacturers that utilize sub-contract manufacturing services. The company has noticed an erosion in its customer base over the last several years, and in 2001 Nash-Hoff began keeping a list of their customers who have either closed up or moved out of state. I was frightened by the list of more than 80 companies that are no longer operating or providing jobs in California because this was an informal list by one company in one region of our state. When I multiply that by industry, by region, the devastation to California's economy is clear.

Nash-Hoff writes, "In my 20 years of doing sales and marketing in San Diego, I have not seen it this bad. It is actually worse in some ways than the defense and aerospace recession of the early 1990's because it is more across the board...Many more companies are 'hanging by a thread' because no one has any financial 'cushion' any more, and everyone's accounts receivable are stretched out longer than I have ever experienced. The typical 45-60 days for paying invoices is now up to 90-120 days."

For those in the Legislature who believe such stories to be Republican rhetoric bandied about solely for political purposes, I offer Nash-Hoff's explanation for the exodus and her recipe for change: "We need major reform of worker's compensation, a restructuring of our unemployment insurance system, lower corporate and personal income taxes, and reduced costs for energy if we want to stem the tide of companies leaving California or

going out of business. In my discussions with company owners and executives, the main reasons for moving out of California have been: High cost of workmen's compensation; High cost of unemployment insurance; High cost of medical insurance for employees; High cost of energy; High cost of taxes."

## **TAX CORNER**

### **\*\*\*Taxes are a Laughing Matter\*\*\***

Remember when driving schools started hiring comedians to make the experience less painful and more memorable? That same edutainment philosophy has now touched the tax world. Steve Sims, an enrolled agent with the IRS who has more than 20 years experience with state taxes, offers seminars designed to teach small businesspeople and home-based businesspeople about deductions, handling audits and settling with the IRS. He offers advice about whether a venture should be a partnership, sole proprietorship or corporation and whether you need the assistance of a tax professional, all while making you laugh. Steve has a seminar coming up on March 1st in the Sacramento area. For more information, call Steve at 1-800-656-6872 or email him at Statetaxman@aol.com.

### **\*\*\*Tax Delinquents\*\*\***

I was intrigued by an AP story that began, "Three Georgia state lawmakers, including the chairman of the House Ethics Committee, are on a list of delinquent taxpayers that revenue officials are posting on a Web site in hopes of shaming people into paying up." I wondered if California might have a similar list, but I learned that the Franchise Tax Board does not publicize names of individuals who are delinquent or who fail to file tax returns. However, FTB does publicize names of individuals who face criminal charges for alleged tax crimes; to see those press releases, visit:

<http://www.ftb.ca.gov/aboutFTB/press/index.html>

### **\*\*\*Problem Solving at Your Service\*\*\***

Good humor makes us laugh because it is so true to life. Hence, when someone says, "I'm from the government and I'm here to help," people chuckle. However, my staff proved that to be false this week as two constituents can attest. The first positive feedback came after one of my field representatives made a presentation about the services available to taxpayers, including BoE advice letters, the Taxpayer Rights Advocate's Office and publications about how to keep accurate business records. An audience member afterward said, "I didn't know the Board of Equalization was here to help us—I thought they were just here to take our money." Another member of my staff received a grateful phone call from a taxpayer whose mother-in-law's bank account and home had been levied by the FTB. The mother-in-law was in a nursing home and the caller and her husband were on an extended vacation, trying to handle the stressful situation by phone. Turns out the 1982 taxes due were for her husband and his previous wife—not the woman who was now being dinged. My staff spent hours on the phone

with the FTB's Taxpayer Advocate's office to have the levies and liens removed, delete Social Security number from the FTB account, and begin informal settlement talks. Neither of these situations is unusual—my staff and I provide this kind of assistance to taxpayers dozens of times a week. However, the gratitude expressed this week was special and worthy of sharing.

## MISCELLANY

### \*\*\*Great Books I\*\*\*

The recent Leonard Letter feature on Words to Know has prompted much discussion about what students ought to be learning. Beyond definitions and usage of words, students need to understand their world, its history and the context of decision making. To that end, I am pleased to recommend a list of books from the curriculum of Thomas Aquinas College, Santa Paula, California. The College's courses are based on the Great Books and students' reading, discussion and exploration of these works give them a solid foundation from which to analyze, study and understand any topic, situation or problem in greater depth. The college's curriculum can be summed up as giving a comprehensive look at the history of the ideas of Western civilization, from Plato to Freud.

The following are most of the works read in whole or in part in the college's curriculum for freshman year. The college does not regard all of these as having equal weight. Some are regarded as masterworks, while others serve as sources of opinions that either lead students to the truth, or make the truth more evident by opposition to it. For the complete list, copy and paste this address into your browser:

<http://www.thomasaquinas.edu/curriculum/index.htm>

#### Freshman Year

Seminar -- Homer: ILLIAD, ODYSSEY. Plato: ION, REPUBLIC, SYMPOSIUM. Aeschylus: AGAMEMNON, CHOEPHROE, EUMENIDES. Sophocles: OEDIPUS REX, OEDIPUS AT COLONUS, ANTIGONE. Herodotus: HISTORIES. Aristotle: POETICS, RHETORIC. Plutarch's Lives: LYCURGUS, PERICLES, ALCIBIADES, ARISTIDES, ALEXANDER. Euripedes: HIPPOLYTUS. Thucydides: HISTORY OF THE PELOPONNESIAN WAR. Aristophanes: THE BIRDS, THE CLOUDS.

Language -- Wheelock: LATIN -AN INTRODUCTORY COURSE BASED ON ANCIENT AUTHORS. Nesfield: AIDS TO THE STUDY AND COMPOSITION OF ENGLISH.

Mathematics – Euclid: ELEMENTS.

Laboratory – Aristotle: PARTS OF ANIMALS. Galen: ON THE NATURAL FACULTIES. Harvey: On THE MOTION OF THE HEART AND BLOOD, ON

ANIMAL GENERATION. Linnaeus: SYSTEMA NATURAE. Pascal: ON THE EQUILIBRIUM OF LIQUIDS. Archimedes: ON FLOATING BODIES. Mendel: PLANT HYBRIDIZATION.

Philosophy --- Plato: MENO, PROTAGORAS, GORGIAS, APOLOGY, CRITO, PHAEDO. Porphyry: ON THE PREDICAMENTS. Aristotle: CATEGORIES, ON INTERPRETATION, PRIOR ANALYTICS, POSTERIOR ANALYTICS, TOPICS.

Theology: THE HOLY BIBLE.

## **BOE AND LEGISLATIVE DATES**

**February 20, 2004** --- Last day to introduce bills this session

**March 2, 2004** --- California primary election

**March 31, 2004** --- Cesar Chavez holiday

**April 1, 2004** --- Legislature's spring recess begins upon adjournment

**April 12, 2004** --- Legislature reconvenes

## **NOTABLE DATES/ HISTORY**

**February 17, 1801** --- U.S. House breaks Electoral College tie, chooses Thomas Jefferson as President over Aaron Burr, who became Vice President

**February 17, 1913** --- First minimum wage law in U.S. takes effect (Oregon)

**February 18, 1688** --- Quakers conduct first formal protest of slavery in Germantown PA

**February 18, 1849** --- First regular steamboat service to San Francisco start, bringing gold rush prospectors from east coast

**February 18, 1850** --- California Legislature creates nine Bay Area counties

**February 20, 1792** --- U.S. postal service created; postage 6¢-12½¢, depending on distance

**February 20, 1962** --- John Glenn is first American to orbit Earth (Friendship 7)

**February 21, 1782** --- Congress resolves the establishment of a U.S. mint

**February 21, 1792 ---** Congress passes Presidential Succession Act

**February 21, 1885 ---** Washington Monument dedicated (Washington, D.C.)

## **GENERAL TAX INFORMATION**

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115  
TDD service for the hearing impaired  
TDD phones: 800-735-2929  
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office, call toll-free 1-888-324-2798.

## **HOW TO CONTACT ME**

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